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ABSTRACT

This document outlines the issues of importance to higher education that face the 102nd Congress of the United States Government of which three have paramount importance: (1) securing adequate funding of student assistance programs; (2) assuring tax policies which provide maximum incentives to enlarge the nation's technical and professional skills and expand the frontiers of knowledge; and (3) providing steady growth of support for academic science, engineering, and biomedical research. The bulk of the text organizes the issues under the congressional committees handling them beginning with a long section on the Appropriations Committees and the need to set priorities for federal funding to strengthening post secondary opportunity, to support the science, engineering and biomedical research base, and to fund national purpose programs. Other highlights include urging the Commerce Committees to support tort reform to protect institutions of higher education who are often the developers but not the manufacturers of products. The Education and Labor Committees are urged to reauthorize the Higher Education Act and to consider various recommendations regarding that act from the higher education community. The document also suggests that the Finance/Ways and Means Committees consider recommendations regarding taxation of charitable contributions and of institutions. (JB)

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HIGHER EDUCATION
ISSUES
IN THE
102ND CONGRESS

A GUIDE
FOR
COLLEGE AND
UNIVERSITY
PRESIDENTS
AND
GOVERNMENT
RELATIONS
OFFICERS

HE 024 684

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HIGHER EDUCATION ISSUES IN THE 102nd CONGRESS

The 102nd Congress faces an imposing set of challenges. It must formulate policies and actions to reduce the national debt, end the recession and stimulate economic growth, maintain national security, advance scientific and medical research, expand opportunities for its citizens, and address their social and environmental needs.

The success of such policies will depend to a considerable extent on the capacity of America's colleges and universities to provide quality education and training and conduct state of the art research. The colleges and universities, in turn, depend on the federal government for important support to assure opportunities for all qualified students, to sustain the research enterprise, and to strengthen educational quality.

While reauthorization of the Higher Education Act will be a centerpiece of the higher education agenda for the 102nd Congress, almost every committee will make decisions affecting the capacity of colleges and universities to perform their mission. An overview of these issues, listed by committees of jurisdiction, is presented in this guide. It was prepared by the American Council on Education, as the coordinating body for higher education, in cooperation with other national associations. Together, these associations represent to Congress and the Executive branch the views of a large and diverse constituency: a \$100 billion enterprise accounting for about three percent of the Gross National Product, employing over 800,000 instructional and research staff and one million administrative and support personnel in 3,300 large, small, public, independent, two-year, four-year, and graduate institutions enrolling over 13 million students and serving millions more in public service programs.

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EXECUTIVE SUMMARY

The agenda of the 102nd Congress includes many issues of concern to higher education, but three issues are paramount to the nation's colleges and universities:

- Securing adequate funding of student assistance programs to advance the goals of equal educational opportunity and the development of an educated and highly-skilled citizenry,
- Providing steady growth of support for academic science, engineering, and biomedical research, including support for undergraduate science education and for renovation of research facilities, and
- Assuring that tax policy provides maximum incentives to enlarge the nation's technical and professional skills, expand the frontiers of knowledge, and encourage the voluntary support that is a major resource for all colleges and universities.

Because these issues are crucial to any national strategy to strengthen the economy and improve the quality of life for all citizens, they should receive priority consideration in congressional budget and appropriations decisions.

In other areas of legislative interest, the higher education community encourages national policies that sustain the freedom and diversity that have historically nourished America's colleges and universities and fostered their contributions to society.

APPROPRIATIONS COMMITTEES

Priorities for Federal Funding

Federal support is a critical element in the financing of American colleges and universities, and in providing educational opportunity to millions of American students. The federal government accounts for over 20 percent of annual expenditures for higher education through programs in a dozen different federal agencies, targeted predominantly to student aid and basic research.

At a time when the national economy is in recession, implementation of the five-year, \$490 billion deficit reduction plan approved in the fall of 1990 will intensify competition for resources among all areas of domestic discretionary spending. In addition, recession will force reexamination of the projected revenue and spending plans. In making critical choices to meet the urgent needs of today, balanced consideration should be given to programs that contribute to the nation's future economic and social well-being.

At a time when all federal programs are under severe spending constraints, it is especially important to sustain the process which assures systematic allocation of scarce resources. Therefore we call upon the members of the appropriations committees, as well as the academic community, to reject requests to earmark appropriations for projects at specific institutions and reaffirm the principle of broadly representative review of project proposals in fair and open competition, so that funding decisions represent the best interests of both higher education and the national welfare.

We urge Congress to continue its support of programs which recognize the role played by colleges and universities in helping to meet the vital objectives of assuring postsecondary opportunity; strengthening the science, engineering and biomedical research base; and supporting national-purpose programs:

Assuring Postsecondary Opportunity. Over the past three decades a strong bipartisan consensus has developed that postsecondary opportunities should be available to all qualified citizens without restrictions due to lack of family resources, or to race, sex, age, handicap, attendance status, or geographic location. More recently it has been recognized that the expansion of educational opportunity is critical to the development of the educated and highly skilled work force needed to maintain America's economic competitiveness. These are the basic reasons for seeking more adequate funding of

federal grants, loans, and self-help programs for students who need assistance in meeting their educational costs.

Annual federal expenditures for these purposes total over \$8 billion (almost \$7 billion in Education Department programs, \$700 million in veterans benefits, and \$400 million in loans and fellowships under the Department of Health and Human Services). In addition, subsidies in the Guaranteed Student Loan Program stimulate another \$12 billion in new private loans guaranteed annually by the federal government, for a combined total of \$20 billion, or almost three-quarters of national expenditures for student assistance. Even with this commitment to access, however, high-ability students from low-income families still are much less likely to attend college than high-ability students from upper-income families.

Substantial increases in the funding of these programs are necessary to assure that all qualified students can attend the institutions that best meet their individual educational and vocational goals, and to insure that low-income minority students (who constitute an increasing proportion of the traditional school-age cohort and thus will be a greater percentage of the future work force) receive a full chance to enter the American mainstream and contribute to the strengthening of the economy.

In the last 15 years loans have become the largest Federal student aid program, rising from 20 percent to over half of federal assistance. This trend is particularly disturbing because grant awards have not kept pace with inflation, thereby forcing the neediest students to rely increasingly on the loan programs, which originally were intended primarily to assist middle-income families.

A major objective of the higher education community is to obtain more adequate funding for the grant programs. Appropriations for Pell Grants should provide regular increases in the maximum award and cost allowance—the only means to increase aid for the neediest students—and a full payment schedule for all recipients, so that no eligible students have their awards reduced. While total funding for the program has increased significantly in the 1980's, the maximum award has declined 16 percent in constant dollars and now covers 26 percent of total average college costs, compared to 40 percent in 1980.

Increased funding of the Supplemental Educational Opportunity Grant program is also critical to assure balanced aid to needy students attending higher-priced public and independent institutions, and to non-traditional students with higher family expenses attending all institutions. Nevertheless, SEOG funding has declined 21 percent in constant dollars during the last decade.

As Pell Grants and SEOG grants are the major delivery mechanisms for federal grant support to needy students, several other important programs help institutions package additional self-help and other aid. These programs include: College Work-Study, Perkins Loans, State Student Incentive Grants, and the Special Programs for Students from Disadvantaged Backgrounds (TRIO). Throughout the 1980's, appropriations for these programs have lagged behind inflation: Work-Study by 30 percent, Perkins Loans by 70 percent, and SSIG by 51 percent. The TRIO programs reach less than 10 percent of students eligible for special services.

Increasing the number and percentage of minorities in both undergraduate and graduate education is a special priority, not only to meet equal opportunity goals but to assure that the nation develops sufficient talent to meet future requirements for the teaching and scholarly professions that provide the foundation of America's higher education system. Several graduate fellowship programs, as well as the TRIO programs, address these problems: it is important to increase participation in these programs to assure that the nation develops the full measure of its human talent.

The Stafford Student Loan Program is the other key element in the federal effort to ensure postsecondary educational opportunities. Because it is exempted from budgetary restrictions due to its status as an entitlement (with respect to payments to lenders), its rate of growth has greatly exceeded that of the grant programs, driven automatically by interest rates, default costs, and the number of borrowers rather than by appropriations decisions. In recent years it has been plagued by rising default costs and serious problems of fraud and abuse, primarily by short-term vocational schools. As reforms instituted by the 1990 reconciliation act and by regulatory actions of the Department take effect, the costs of the program should be reduced, which should enable Congress to increase appropriations for grant aid and reduce reliance on loans by academically and economically disadvantaged students.

Strengthening the Science, Engineering, and Biomedical Research Base. The federal government is a critical partner in, as well as a major beneficiary of, efforts to strengthen both the academic research base in science, engineering and biomedical research, and the research training base that supports it. Federal support for academic research totals about \$7 billion, over half of the nation's basic research effort. The government also funds another \$3.5 billion in applied research and development on campuses.

Sustained and steady growth of support for the sciences, including the social and behavioral sciences, is

essential to advance the frontiers of knowledge and to strengthen the competitiveness of the nation's economy in the international marketplace. In mathematics, the natural sciences, engineering and biomedical sciences, the National Science Foundation, the National Institutes of Health, and the Alcohol, Drug Abuse and Mental Health Administration are the key instruments of the academic/federal partnership. This partnership extends to other federal mission agencies in areas of national need such as energy, aerospace, agriculture, defense, the environment, and urban problems. Appropriations for these areas should be based on a long-term commitment to strengthen academic research, research training, and related skills in all sectors of higher education.

Substantial annual increases in the NSF research base are particularly critical to maintain international leadership in science and technology. The NSF reauthorization act of 1988 declared the goal of doubling the agency's budget by FY 93. However, appropriations since then have failed to approach this goal, and real declines have taken place in 56 of 84 areas of NSF research. These declines should be reversed.

A long-term national strategy is needed to rebuild the outmoded research laboratories and related facilities of colleges and universities. Such a strategy should be linked to the systematic expansion of resources allocated to undergraduate as well as graduate mathematics, science and engineering education, increasing attention to the development of promising young scientists, recruitment of more minorities into the research enterprise, and strengthening the research capacities of institutions which serve large numbers of minorities.

NSF graduate fellowship and traineeship programs in the sciences and engineering should be expanded, with comparable expansion of graduate student support in the mission agencies. Continued expansion of NSF's Education Directorate is also a priority to sustain its important contributions to pre-college mathematics and science education, its increasing responsibilities for support of college science instrumentation, and other undergraduate research and education activities. Essential increases in NSF programs for science and engineering education, and for renovation of research facilities, should complement and not supplant the necessary expansion of the research base.

All federal research agencies should provide support in their budgets to strengthen instructional and research instrumentation and renovation of academic research facilities.

Supporting National-Purpose Programs. The federal government administers a variety of categorical programs to help colleges and universities advance national

purposes, transmit ideas, foster scholarship, and maintain a high-quality learning environment:

- The language and area studies programs of the Education Department and the Soviet and East-European programs of the State Department support the academic scholarship which constitutes the chief source of research on foreign areas and regions. In addition, the Education Department supports critical foreign language studies, graduate and undergraduate training, and cooperative international initiatives involving business and higher education.

- Through the manpower training and retraining programs of the Department of Labor, and the vocational education and adult literacy programs of the Education Department, community colleges and technical colleges and schools play a major role in upgrading the skills of the workforce.

- Historically Black Colleges and Universities and other institutions serving special populations with large proportions of disadvantaged students are supported in their important missions by the Department of Education and the Department of Health and Human Services.

- The National Endowment for the Humanities undergirds scholarly inquiry that is the core of liberal learning, helping to sustain the intellectual, moral, and political traditions of civilization, and to open these traditions to other publics through the funding of state humanities councils. NEH should be given incremental funding to support dissertation fellowships to assist the first major research of the next generation of scholars at that point in their careers when financial assistance is most difficult to obtain. The National Endowment for the Arts fosters individual creativity and excellence and preserves the artistic birthright of present and future generations. Both Endowments should be funded without restrictive language limiting their grant-making authority.

- Facilities grants and loans through the Education Department help institutions of higher education renovate academic facilities, remove architectural barriers for the handicapped, and conform with federal standards for health and safety and energy efficiency. Recent studies have confirmed that a major national effort is required to address the extensive needs of the decaying American campus.

- The development of high quality teacher preparation programs, and other programs that address national needs for skilled personnel and shortages of faculty that threaten the future vitality of scholarship, research, and training in many disciplines, are addressed by fellowships, assistantships, and research support sponsored by the Education Department, the National Science Foundation, the Department of Defense, the

National Endowment for the Humanities, the Department of Health and Human Services, the Department of Veterans Affairs, and other federal agencies.

- Educational institutions and libraries enjoy special nonprofit postal rates to assist in their mission of transmitting knowledge, imparting valuable and necessary information regarding admissions procedures and courses offered, and exchanging information throughout society. These rates represent a significant saving for colleges and universities, which are the second largest users of first-class mail and also use second-, third-, and fourth-class mail extensively. It is important that these special rates be maintained.

- The Library of Congress, the National Agricultural Library, the National Library of Medicine, the National Endowment for the Humanities, and the National Archives and Records Administration are key links in a nationwide network of resources that are fundamental for scholarship and research, with responsibilities for collecting, organizing, preserving and servicing research materials. Important support for university research libraries and librarian training is also provided by the Education Department.

- The Education Department's Fund for the Improvement of Postsecondary Education serves as a stimulus for constructive change and innovation on campus, linking theory and practice through its support of significant and replicable model projects; its counterpart Fund for the Improvement and Reform of Schools and Teaching fosters partnerships between elementary and secondary schools and institutions of higher education. The Department's Office of Educational Research and Improvement conducts research on ways to improve teaching and learning, collects essential statistical data on the condition of postsecondary education, and disseminates research results through its Educational Resource Information Centers.

- Thousands of exchanges of persons with other countries take place annually under programs administered by the U.S. Information Agency, the U.S. Agency for International Development, the Department of Agriculture, and the Department of Education, providing an exchange of scholars and experts that enhances the educational as well as economic, diplomatic, and security interests of the nation.

ARMED SERVICES COMMITTEES

Basic Research and Graduate Programs in the Department of Defense

DOD-supported basic research and related graduate programs at universities and colleges are important to national security, but the competitive research programs as well as major interdisciplinary efforts such as the University Research Initiative have been hampered in recent years by inadequate funding in the three services and the Defense Advanced Research Projects Agency. To improve the stability and effectiveness of these programs, the Department and Congress should develop and adopt a multi-year funding plan, with emphasis on sustained real growth in fundamental inquiry, graduate education, and renovation of research facilities in the sciences and engineering.

BUDGET COMMITTEES

In recent annual Budget Resolutions Congress has attempted to treat certain categories of spending, such as education and research, as critical investments in long-term national economic vitality, rather than as areas for achieving short-term budget savings. Functional allocations designated for these areas should assume the maximum growth permitted under the terms of the new Budget Enforcement Act and seek to shield education grants and loans from adverse consequences in the reconciliation process.

COMMERCE COMMITTEES

Tort Reform

The higher education community has an interest in tort reform legislation arising out of its position as patent licensor. Product liability suits often involve colleges and universities as developers of a product, although they are rarely the manufacturer. Legislative proposals should provide needed protection for institutions of higher education by restricting joint and several liability, reducing damage awards by other payments to the plaintiff, limiting attorney fee awards, and establishing penalties for bringing suits in bad faith or seeking to impede justice in pending personal liability suits.

Telecommunications

Telephone deregulation, support for educational programming and facilities, and cable regulation affect virtually all colleges, which utilize video, voice, and data transmission as means to reach under-served populations and expand programming. As Congress develops legislation governing emerging communications technologies, higher education perspectives should be incorporated, particularly to assure that provision is made for the preservation of increasingly scarce spectrum space for educational purposes.

Computer Networks

Legislation should be enacted to create a state-of-the-art computer network linking supercomputers, libraries, national databases and scholars from all disciplines in a composite information infrastructure. NSF should be the lead agency in the creation of such a system to aid industrial productivity and international competitiveness, and provide researchers and educators with greatly expanded access to national information sources without regard to an institution's size or geographic location.

EDUCATION/LABOR COMMITTEES

Reauthorization of the Higher Education Act

A major legislative priority for the 102nd Congress will be the reauthorization of the Higher Education Act, the statutory basis for most student assistance and categorical support for colleges and universities, which expires in FY 1991.

Reauthorization hearings will consider changes needed to achieve a more balanced and reliable system to make postsecondary opportunities accessible for all qualified students. In recent years inflation has seriously eroded the value of the grant programs, loans have become the principal form of assistance, and serious problems of fraud and abuse have been identified in the student aid programs. The higher education community expects to make recommendations to address a number of policy issues, including:

- How can the system provide greater assurance that economically disadvantaged students will obtain more adequate grant assistance, and reduce the adverse impact of borrowing?
- What can be done to improve assistance for dependent students from poor and middle-income families?

- How can assistance be modified to meet the needs of older, part-time students and address national needs for a more highly-skilled workforce?

- What can be done to expand loan availability to meet student and family cash flow needs, and at the same time to effect significant savings in the federal cost of the loan programs?

- How can the federal need analysis and student aid delivery system be improved to make it more equitable and efficient?

- How can federal student assistance programs help stimulate greater academic persistence and achievement?

- What can be done to encourage increasing numbers of junior and senior high school students to stay in school and improve their preparation for college?

- What can be done to increase the production of advanced degrees to meet national needs for faculty replenishment, particularly Ph.Ds in the sciences and engineering and in fields underrepresented by minorities and women?

- What further actions are needed to guard against fraud and abuse in federal student aid programs?

The reauthorization process should also review the effectiveness and relevance of existing categorical support programs, and strengthen priority programs for language and area studies, renovation of facilities, teacher education, and assistance for developing institutions.

Handicapped Students

Colleges and universities need a stable and reliable source of support for the disability-related expenses of their students with handicaps. Limited funds are available from several Education Department authorities, including the Vocational Rehabilitation Act, the Vocational Education Act, the Higher Education Act, and the Education of the Handicapped Act. The several authorities should be reviewed to improve their coordination and increase the funding authorized for these purposes.

Labor-Management Relations

Legislation may be sought to overturn the Supreme Court's 1980 decision holding that faculty members at Yeshiva University were managerial employees, excluded from the coverage of the National Labor Relations Act by virtue of the authority they exercise in academic matters. We oppose legislation categorizing all faculty as nonmanagerial and nonsupervisory, even where they are held responsible for autonomous judgments in matters governing curriculum, personnel, or budget. Institutions of higher education should have the same opportunity as other private employers to exclude supervisory or

managerial employees from a prospective collective bargaining unit. The case-by-case process for determining whether a given faculty is composed of supervisory or managerial employees should be given further opportunity to develop.

ENERGY/ ENVIRONMENTAL COMMITTEES

Department of Environmental Protection

We support establishment of a Department of Environmental Protection with a strong extramural research and training program.

Hazardous Waste

We strongly support the strict controls on the disposal of hazardous waste embodied in the Resource Conservation and Recovery Act. Before the Act is reauthorized, the recommendations of a congressionally-mandated study of campus waste generation and disposal should be given complete consideration. The study suggested changes to prevent the imposition of expensive packaging, labeling, and recordkeeping requirements on colleges and universities, many of which generate waste in small amounts.

FINANCE/WAYS AND MEANS COMMITTEES

Almost every activity undertaken by colleges and universities is affected by the tax laws. As proposals to refine the tax code are considered, careful attention should be paid to the potential effects of changes on the way higher education is financed.

Charitable Contributions

Charitable giving is a major resource for all colleges and universities, large and small, public and private. Such support enhances diversity and hence student choice, strengthens educational quality and, above all, reduces the institutions' dependence on governmental funding. The full charitable deduction for gifts of appreciated property has long been recognized as sound tax policy. The reliance of private colleges and universities on gifts is widely understood; less well known is that one-third of charitable contributions to higher education are made to public colleges and universities. Increasingly, then, the health of public and independent institutions alike

depends on their ability to attract private donations. Any proposed changes in the tax laws affecting charitable contributions should be carefully analyzed to determine their effect on higher education.

We support an exemption for charitable giving from the 3 percent floor on itemized deductions enacted in the 101st Congress.

Further Incentives for Charitable Giving. Authority for non-itemizing taxpayers to deduct their charitable contributions expired in 1986. This important provision should be reconsidered. New incentives for charitable giving also should be explored.

Gifts of Property. Colleges and universities are substantially dependent on gifts of appreciated property: over half of all gifts to higher education over \$5,000 are in the form of securities, real estate, or other property. In the 1986 Act, gifts of appreciated property were made taxable in the Alternative Minimum Tax. We believe that this decision should be reversed, and that the full deductibility of gifts of appreciated property should be restored. The action of the 101st Congress in exempting gifts of tangible personal property from the AMT is a sound first step toward exempting all gifts of appreciated property from that provision.

Tax Incentives to Stimulate Research and Development. Colleges and universities have an underutilized capacity to support industrial innovation. Currently, investment lags in basic engineering and manufacturing research; as a result, technological preeminence is being lost to foreign competition in many fields. The tax credit for businesses to support the conduct of basic research at higher education institutions is designed to encourage more effective application of research resources, but the credit will expire at the end of 1991. It should be made permanent.

Donation of Equipment. Another area in which industry/education cooperation can benefit both, and society as a whole, involves donating, sharing, and rental of equipment. Colleges and universities lack the resources to maintain state-of-the-art equipment in all fields, and the use of outdated equipment in classrooms and research laboratories retards the development of future scientific leadership. Current tax deductions for donating state-of-the-art equipment for research purposes should be expanded to include research and teaching in all disciplines. We also support proposals to encourage the donation of service to maintain on-campus equipment and to promote the use of industry equipment by students for training purposes.

Taxation of Institutions

Tax-Exempt Bonds. Tax-exempt bonds have long been an important source of capital for colleges and universities to finance student loans and the construction and renovation of facilities, including teaching hospitals. We support elimination of the institutional cap on tax-exempt bond issues imposed by the Tax Reform Act of 1986, and we oppose further steps to limit or remove this important source of capital funds.

Unrelated Business Income Tax. Current law provides for the taxation of net income derived by tax-exempt organizations from any trade or business regularly carried on by the organization that is not substantially related to its exempt purpose, and that is not otherwise statutorily exempt. Colleges and universities engage in revenue-generating activities where they are related to the education of their students, where they are necessary support activities for the student body, and as an adjunct to campus life. We continue to support efforts to clarify the legal standards and administrative processes for identifying related and unrelated business activities. However, we oppose the restriction of activities that further valid educational objectives and concurrently produce revenue designated expressly for such purposes.

Health Care Insurance Coverage. The Consolidated Omnibus Budget Reconciliation Act, which became effective July 1, 1986, mandated extended health care coverage for former employees. These provisions have significant economic and administrative consequences for colleges and universities. Even more far-reaching legislation has been proposed to require employers to pay health coverage for present and former employees. The impact of such provisions on institutions of higher education should be fully explored.

Taxation of Employees and Students

Employee Educational Assistance. The last Congress extended the Employee Educational Assistance Act through 1991 and restored coverage of graduate study. We believe that the current provisions should be made permanent: the Act is an important incentive for both employers and employees to participate in education and training programs which enhance the training and technological development of the work force.

Taxation of Scholarships and Fellowships. The Tax Reform Act of 1986 included scholarship and fellowship grants in gross income, except that portion spent for tuition and equipment. Students are thus taxed on scholarship funds used to meet room and board and other living expenses. Because this provision requires that the reasonable compensation component of awards to

graduate teaching and research assistants now be taxable, individuals with limited personal resources are particularly affected. Scholarships and fellowships represent a national investment in human capital worthy of encouragement by the tax code. We believe Congress should reconsider its position and restore the full tax exemption for these awards.

Social Security Tax for Student Employees. For almost half a century, wages earned by students from jobs provided by the college or university they attend have been exempt from the Social Security (FICA) tax. We oppose any attempt to repeal this provision: far from closing an unjustified gap in coverage, repeal would overturn an important and longstanding policy and impose major financial burdens on needy students and college aid programs.

Tax Deductibility of Student Loan Interest. The Tax Reform Act of 1986 phased out the deductibility of interest paid on consumer loans, a category that includes all student loans. The change was justified on the grounds that it eliminated a significant disincentive to saving. Unlike loans for most other personal commodities, however, student loans often are not discretionary but a necessity, since it is difficult for most students and their families to save enough to pay the full cost of higher education. The law allows the deductibility of mortgage interest on a principal or secondary residence if the loan is used for qualified educational expenses. However, this deduction is denied to borrowers who do not own homes that could be used to qualify. We support an exemption to the consumer loan provision which reinstates the deductibility of interest paid on student loans.

Incentives for Education Savings. We support expansion of the educational savings bond program to encourage broader participation. We also support legislation to permit tax deferral of a portion of education expenses and the use of accumulated IRA funds for payment of college tuition. We encourage consideration of further incentives for families to save for future educational costs.

Tuition Tax Credits. Tax credits for postsecondary education should not substitute for grants, loans, and work-study programs that provide student assistance proportionate to need and costs incurred.

Medicare/Medicaid. The Medicare and Medicaid programs were designed to assure high-quality health care services for the nation's elderly and indigent citizens. These programs have extraordinary significance for university-owned and affiliated hospitals, and for academic health centers. Teaching hospitals, usually related closely to medical school biomedical and

behavioral research programs, are responsible for a disproportionately high percentage of tertiary medical care, the most complex and expensive medical cases. Further, the services provided by advanced nurse clinicians are an important resource for the elderly. Hospital financing of advanced nursing education programs is necessary to ensure a ready supply of these health care providers, and should be reimbursed under Medicare. Graduate medical education should also continue to be supported. Any proposals for reducing the costs of Medicare/Medicaid and revising reimbursement plans for hospitals and physicians should be examined carefully in terms of their impact on these hospitals and on the total health care system of the community. Changes in reimbursement begun by the Tax Equity and Fiscal Responsibility Act in 1982 are certain to affect patient care, training, and research at university teaching hospitals. As the prospective payment system continues to be refined, care must be taken to ensure adequate reimbursement for the full range of services offered by tertiary care hospitals with major research and teaching components.

FOREIGN RELATIONS COMMITTEES

Foreign Assistance

American colleges and universities play an important role in bilateral assistance programs which address the challenge of persistent poverty among developing nations while promoting U.S. economic self-interest, national security, and humanitarian ideals around the globe. They provide a resource base to stimulate the generation of new technologies and knowledge, transfer improved technologies appropriate to the needs of indigenous requirements, and augment advanced formal and specialized education for developing country scientists, educators, and administrators.

In reauthorizing the Support for East European Democracy Act, Congress should support the establishment of a clearinghouse to assemble and disseminate information about the needs of higher educational institutions in Central and Eastern Europe, their expressed needs for cooperative arrangements, and the resources available in the U.S. to contribute to such arrangements.

In reauthorizing the U.S. Foreign Assistance Act, priority should be given to programs that promote agricultural modernization in developing countries, the development of health, management, technology, and

sound environmental policies, and the strengthening of indigenous higher education institutions. Consideration should be given to establishing an international health corps program through which Americans could assist countries in need of health services and health personnel training.

Educational and Cultural Exchange

In reauthorizing the United States Information Agency, Congress should once again designate a priority for educational exchanges commensurate with their value to long-range U.S. interests. The reauthorization should ensure that the Fulbright Program continues to attract the highest quality faculty participation. The university affiliates program, the Central American Undergraduate Program, and other programs operated under the auspices of the U.S. Scholarship Program for Developing Countries should be extended, and support services for the more than 380,000 foreign students on U.S. campuses should be enhanced.

HEALTH/MEDICAL COMMITTEES

Facilities

Legislation was introduced in the last Congress to reauthorize expired authority for the National Institutes of Health to support the renovation of academic facilities for biomedical and behavioral research. However, it was not included in the omnibus reauthorization of health programs that was finally enacted. We strongly support such authority to rebuild and expand the nation's biomedical research infrastructure.

Integrity of Research

Institutions engaged in research have a major responsibility, not only to provide an environment that promotes integrity, but to establish and enforce policies and procedures that deal effectively with allegations or evidence of fraud. To help them achieve this goal, the national higher education associations have issued a "Framework for Institutional Policies and Procedures to Deal with Fraud in Research." We believe that this approach, rather than additional federal legislation, is the appropriate response to allegations of fraud in research. The integrity of scientific research is best safeguarded by maintaining the institutional locus of responsibility, with latitude for each institution to find ways appropriate to its circumstances. It is important to distinguish fraud from

honest error and the differences of interpretation that are inherent in the scientific process, and to avoid creating an atmosphere that might discourage openness and creativity: innovative science cannot flourish in an atmosphere of oppressive regulation.

Animal Research

The higher education community has serious concerns with proposed legislation to restrict the use of animals in research. While institutions must assure the responsible use of animals in research, we oppose legislation that would prevent federal funds from being used to obtain animals from shelters for research purposes, or give citizens standing to sue the government for animal welfare violations. Such legislation would retard progress in vital areas of research essential to advances in human and non-human animal health.

Health Professions Act

The Health Professions Education Act Title VII of the Public Health Service Act has evolved to meet the nation's changing needs for health personnel, and now supports training for a wide spectrum of health care professionals, including physicians, nurses, dentists, pharmacists, podiatrists, chiropractors, veterinarians, optometrists, and those in the fields of public health, preventive medicine, health administration, and allied health. The Act also addresses problems in the underrepresentation of minorities in the health professions, and the shortage and maldistribution of primary care health professionals. When it was reauthorized in 1988 for three years, a number of new initiatives were added, including programs in allied health, AIDS clinical skills improvement and faculty development, interdisciplinary training to address personnel shortages in rural areas, and a health education program focused on the U.S.-Mexico border area. Hearings should be conducted to review the need for additional scholarship support for health professions training and increased support for minority faculty development.

JUDICIARY COMMITTEES

Civil Rights

The higher education community is committed to affirmative action and equal employment opportunity, and supports legislation that would restore and enhance deterrents against workplace discrimination. Congress

should commit itself to a periodic review of the effects of any legislative changes to ensure that they do not have unintended consequences.

Immigration Issues

The reform of immigration laws enacted in the last Congress did not address several important concerns of higher education. We recommend creation of a limited non-immigrant O visa category to facilitate the hiring of foreign faculty eligible for labor certification. While higher education has always sought to hire primarily from the U.S. labor market, campuses must maintain flexibility to search for world-class teaching and research talent beyond domestic boundaries. Adoption of a special nonimmigrant visa classification would allow institutions to hire needed faculty members from abroad on a timely basis. It would not change the currently existing immigrant visa categories and restrictions under which foreign faculty are eligible to come to the U.S.; rather, it would allow initial entry of the needed faculty members on a limited basis to begin teaching while the labor certification required for immigrant status is being completed.

Institutions have expressed concern with the regulations issued under the Immigration Reform and Control Act of 1986 which require that a Form I-9 be completed for students who are engaged in part-time employment at their institutions. In such cases, an employer-employee relationship is not present in the traditional sense. Instead, such work is incidental to the academic objectives of the students and is, in essence, a form of institutionally-based financial aid. The existing statute should be amended to exempt students employed by their institutions of higher education from the definition of "employee" and clarify that for such individuals a Form I-9 need not be completed.

Freedom of Information

The Freedom of Information Act provides important access to information for scholars. We support amendment of Section 4 (b) to prevent disclosure of original ideas contained in research grant applications and progress reports submitted by investigators. Individuals submitting such information are currently without an enforceable right under the Act.

Computer Crime

The higher education community is increasingly dependent on computers for research and for its own business affairs. Current federal and state laws are inadequate to deal with the multiplicity of problems relating to computer theft and abuse. We support

legislation that would make it a crime to use a computer for fraud or theft, or to vandalize computer-stored information.

Patent Rights of Employees

Academic research is an essential source of innovations needed for economic growth and increased productivity, even though research pursued on campus rarely seeks to generate inventions as a primary objective. We are therefore vitally interested in every aspect of the nation's patent law. In particular, proposed legislation to determine the ownership of employment-related inventions and the compensation of employed inventors could impose burdensome and unnecessary administrative requirements on colleges and universities. We believe such inventors already are protected adequately under the Patent and Trademark Amendments of 1980.

Biotechnology Patent Protection

We support intellectual property law protection for innovations in the biotechnology area. The Patent Office should be empowered to issue patents for novel processes used to make biotechnology products. To stimulate development of recombinant versions of naturally occurring proteins, patent law should recognize that where either the starting material is newly discovered or the final product is patentable, then the production process should also be patentable.

We also support closing a loophole in the trade law that currently permits unfair importation of biotechnology-derived products. The International Trade Commission's jurisdiction should be extended to protect a patent owner's rights against importation of an identical drug that is produced in a foreign country.

Trustee Liability

Higher education is concerned about the potential damage that may be done to the spirit of voluntarism in the United States by the perception that volunteers at nonprofit institutions, including trustees at colleges and universities, put their personal assets at risk in the event of liability actions against the organizations they serve. We support legislation to provide immunity from civil liability for volunteers of nonprofit organizations in any action resulting in damage if the individual was acting in good faith and within the scope of official duties.

Sports Lotteries

We support legislation which would modify the existing criminal code to prohibit states from conducting

or otherwise sponsoring or promoting lotteries based on the outcome of college and university sporting events.

College and University Police

Currently all state, county, and municipal institutions of higher education have legal access to the computerized criminal histories stored in the Federal Bureau of Investigation/National Crime Information Center. We support legislation to allow sworn officers at private universities and colleges to obtain access to the same information.

PUBLIC WORKS COMMITTEES

Asbestos and Radon Removal

A large-scale effort is needed to test college and university structures for possible health hazards due to asbestos and radon, and to refurbish buildings where there is reason to believe a health hazard exists. We support needed authority for federal financial and technical assistance in dealing with this national problem.

SCIENCE COMMITTEES

The 101st Congress took a number of steps to strengthen the role of the National Science Foundation in improving science education and teaching at the elementary, secondary, and collegiate levels. We support further legislative action to establish a federal commitment to restore college and university science laboratories to state of the art condition. We also support new authorizations to stimulate the development of training programs for advanced technology occupations at associate-degree colleges, establish centers of excellence in advanced technician training and undergraduate education in math and science, and encourage partnerships between two-year colleges and secondary schools in math and science education, as well as partnerships with four-year colleges to improve articulation in scientific programs.

VETERANS AFFAIRS COMMITTEES

In 1987 the New GI bill became a permanent program to meet the critical skill needs of the armed services and the reserves, and to enhance the lives of military

personnel by helping them to pursue postsecondary education. The higher education community supports continuing review of the program to strengthen the equity and accessibility of its educational benefits.

Oversight hearings should be conducted to review the recent recommendations of the Commission To Assess Veterans' Education Policy for changes to improve the administration of veterans' educational benefits.

Comprehensive legislation will be considered to improve services for veterans. Such legislation should include support for collaborative service/education projects to strengthen consultation between nursing service administrators and nurse educators.

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